

An Overview of Daviess County's 2007 Annual Trending December, 2007

The following steps were taken to conduct the 2007 annual trending in Daviess County:

Step 1: Re-Delineation of Neighborhoods

The entire Boggs Lake area (Barr and VanBuren Township) were completely re-examined and, where necessary, re-delineated for annual trending in 2007. This included the movement of parcels from one neighborhood to another depending on its location in relationship to the lake. This portion of trending included all property classes. All remaining neighborhoods in the county were reviewed and analyzed to ensure they were in their appropriate neighborhoods.

Step 2: Calculation of New Land Values

New land values were calculated for 2006 and in only limited circumstances did sales warrant new land values for 2007. For residential property, small adjustments may have been made based on sales, but the market adjustment factor was the primary means of updating residential property values. For commercial and industrial properties, land values generally stayed consistent between January 1, 2005 and January 1, 2006, with the exception of two main commercial areas in the Washington Township area.. Some market areas or some use types warranted influence factors; these factors were reviewed and adjusted accordingly.

Step 3: Calculation of New Residential Factors & Residential Studies

Per 50 IAC 14, a preliminary ratio study was conducted for vacant and improved residential at the township level. This study dictated which property classes required further analysis, stratification, reassessment or calculation of a new neighborhood factor. In some instances, especially in rural areas of Daviess County, the preliminary ratio study indicated that assessments were both accurate and uniform. In other neighborhoods, further review was required. This resulted in the calculation of new neighborhood factors.

Step 4: Updated Commercial & Industrial Improvement Values

New commercial and industrial cost table updates were the starting point for updating commercial and industrial improvement values. The county also changed the year of depreciation from 2005 to 2006. The Nexus Group Construction Cost Index (NCCIsm) was used to update these cost tables. In addition to updating the cost tables, all commercial and industrial properties within Washington Township was reviewed for current use, grade and effective age. On average, gross costs increased approximately 7% between 2005 and 2006. However, adjustments above and below this average was applied for specific use types where more detailed construction costs were available. These detailed construction cost models have been constructed by Nexus Group and applied uniformly by property class based on specific usage, wall type and other characteristics.

Step 5: Appeal Data

In addition to updating cost tables, utilizing current sales information, adjusting land values, information obtained through the 2006 appeals process, which included appraisal information, income/expense information, etc., was also used to establish values within the county for various property class types.

Step 6: Property Class Code Correction

The entire county dataset was reviewed for proper class code designation. A large number of parcels were found to be using the wrong class code. This was predominately noted in parcels utilizing a 500 series property class code, when they should have been receiving a 100 series class code due to agricultural land being assigned to the parcel. The correction of these parcels may have an adverse effect on the number of sales that state deems as valid.